

Asper School of Business, University of Manitoba

<u>Team Member</u>	<u>Year</u>	<u>Program</u>
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Advisor(s): Judy Jayasuriya, Arly Akerstream, Bhaumik Gandhi, and Anna Gilfilan

Topic: Delivery Hero: From Carbon Offsets to Green Delivery

Audience: Delivery Hero SE's Supervisory Board

Team's Business Identity: Windchill Consulting

Executive Summary

The global food industry has exploded in response to society's need for quick & convenient meals. This industry was worth over \$150 billion USD in 2021 and its market size has tripled since 2017. This industry is prone to large carbon emissions with its frequent deliveries. There is a need for better sustainability within this growing industry. Delivery Hero, as a prominent industry player, can lead the industry into better sustainability practices.

Delivery Hero is a delivery platform for restaurants and shops that aims for instant deliveries and operates in 74 countries. With 2021 revenue of €5.86 billion, it is the top ranked delivery company in 56 countries. In 2021, Delivery Hero reported total greenhouse gas emissions of 3,483,004 tCO₂e. Delivery Hero is well intentioned with wanting to protect the environment and has ingrained sustainability into its culture and has initiated small scale sustainability pilots. Although the company's has great intentions, its approach and the resulting outcome can be improved. Its current sustainability approach is to focus on carbon offsets to claim carbon neutrality. This approach has resulted in a conflict of rights among the company's stakeholders. There are ethical, legal, and business issues associated with this approach including shifting responsibility for reducing one's on carbon footprint, infringing about some stakeholder rights, potential lawsuits from misleading advertising, and the risk to the company's financial viability.

Delivery Hero can address these ethical, legal, and business risks by implementing Green Deliveries. This recommendation will allow the company to focus on reducing its major emission sources by partnering with its riders, restaurants, and customers. The financial viability of this ethically sustainable approach and outcome will allow Delivery Hero to lead the food delivery industry into better environmental stewardship.